

EB-5 Immigrant Investor Program for Hotel Investment & Citizenship

The EB-5 Visa Program is designed to attract foreign capital investment in the U.S. along with an opportunity for citizenship. This program benefits this country's economy by bringing overseas cash into the domestic economy and at the same time creating jobs for U.S. Citizens. Federal law allows up to 10,000 EB-5 visas to be issued annually; however, last year approximately 2,400 were actually issued.

In general, the qualifying investment must be a minimum of \$1 million under the entrepreneurial program or \$500,000 in a Targeted Employment Area under the Regional Center Program. There is a requirement to create or preserve a minimum of 10 full time jobs for each investor. Investors are allowed two years to create the jobs tied to the visas. At the start of the two years, the investor receives a temporary green card. At the end of the two years (and possibly 90 days prior to the 2 year anniversary), if the jobs have been created and still exist, investors and their derivative family members will be allowed to permanently live and work in the U.S.

This program is primarily for new commercial projects, but under certain circumstances can be used to purchase an existing hotel. For example, Greene, Canfield, DeGeorge Hotel Brokers recently facilitated the sale of an existing hotel to an investor from Australia. It was determined the hotel qualified for EB-5 based on the following criteria: the hotel was considered a troubled business because it had been in existence for at least two years, had incurred a net loss during the 12 or 24 month period prior to the priority date, the loss for this period was at least 20% of the business' net worth prior to the loss. For purposes of determining whether the troubled business has been in existence for two years, successors in interest to the troubled business will be deemed to have been in existence for the same period of time as the business they succeeded.

A hotel may also be qualified if it was closed prior to the purchase date (for example, through foreclosure), or if it is going to be shut down to add rooms, add restaurant business or some other business that was not there prior to the purchase of the hotel.

Be sure to contact an experienced immigration attorney and work with your HBI Hotel Broker for properties that may qualify under the EB-5 visa program.

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